

HOUSE BILL REPORT

ESHB 2942

As Passed House:
February 13, 2006

Title: An act relating to health care provider contracts.

Brief Description: Concerning contracts of health care providers.

Sponsors: By House Committee on Health Care (originally sponsored by Representatives Curtis, Morrell, Campbell, Cody, Green, Clibborn, Kessler, Serben, Rodne, Moeller, McCune and Hasegawa).

Brief History:

Committee Activity:

Health Care: 1/31/06, 2/2/06 [DPS].

Floor Activity:

Passed House: 2/13/06, 73-25.

Brief Summary of Engrossed Substitute Bill

- Health carriers who control 40 percent or more of a local market for health plans must not terminate a provider contract except for reasonable cause, and must offer a provider contract to any provider within the local area who meets the carrier's customary and reasonable credentialing standards.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Curtis, Assistant Ranking Minority Member; Appleton, Clibborn, Green, Lantz, Moeller and Schual-Berke.

Minority Report: Do not pass. Signed by 4 members: Representatives Hinkle, Ranking Minority Member; Alexander, Bailey and Condotta.

Staff: Dave Knutson (786-7146).

Background:

Health carriers who control a large share of a local market for health plans are in a strong position to dictate terms to providers who wish to be covered by the carrier's health plan.

Summary of Engrossed Substitute Bill:

Health carriers who control 40 percent or more of a local market for health plans must not terminate a provider contract except for reasonable cause. They are also required to offer a provider contract to any provider within the local area who meets the carrier's customary and reasonable credentialing standards. Health carriers may charge a fee to cover the cost of credentialing additional health care providers.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: It is unfair for health carriers who dominate a local market to dictate terms to health care providers. There should be greater competition.

Testimony Against: This legislation will increase health care costs by increasing utilization. More providers will generate more costs, and health carriers will lose the ability to negotiate lower rates.

Persons Testifying: (In support) Representative Curtis, prime sponsor; Lori Bielinski, Washington State Chiropractic Association; Karen Thola, Washington State Chiropractic Association; and Brad Tower, Optometric Physicians of Washington.

(Opposed) Ken Bertrand, Group Health Cooperative; Rick Wickman, Premera; Nancee Wildermuth, Regence Blue Shield, PacifiCare and Aetna; Sydney Zvara, Association of Washington Healthcare Plans, Molina and Community Health Plan of Washington; and Mel Sorensen, Washington Association of Health Underwriters and America's Health Insurance Plans.

Persons Signed In To Testify But Not Testifying: None.